



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 29, 2007

### **H.R. 982** **ADVANCE Democracy Act of 2007**

*As ordered reported by the House Committee on Foreign Affairs  
on March 27, 2007*

#### **SUMMARY**

H.R. 982 would authorize the appropriation of funds for the Human Rights and Democracy Fund which is administered by the Department of State. In addition, it would authorize the appropriation of funds for grants to the United Nations Democracy Fund and the International Center for Democratic Transition. Finally, it would authorize the department to hire additional staff and participate in a fellowship program to promote democracy.

CBO estimates that implementing H.R. 982 would cost \$29 million in 2008 and about \$150 million over the 2008-2012 period, assuming appropriation of the specified and estimated amounts. The bill also would allow the Human Rights and Democracy Fund to receive and spend gifts and donations, but CBO estimates this provision would have no significant effect on direct spending and receipts.

H.R. 982 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 982 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a</sup></b>					
Democracy Programs					
Estimated Authorization Level	65	75	1	0	0
Estimated Outlays	26	46	30	16	11
Other Programs					
Estimated Authorization Level	4	4	4	4	4
Estimated Outlays	3	4	4	4	4
Total Changes					
Estimated Authorization Level	69	79	5	4	4
Estimated Outlays	29	50	34	20	15

a. Enacting H.R. 982 also could affect revenues and direct spending, but CBO estimates that any such effects would be less than \$500,000 a year.

## BASIS OF ESTIMATE

CBO estimates that implementing H.R. 982 would cost \$29 million in 2008 and about \$150 million over the 2008-2012 period, assuming appropriation of the specified and estimated amounts. The bill would also allow the Human Rights and Democracy Fund to receive and spend gifts and donations, but CBO estimates this provision would have no significant effect on direct spending and receipts.

### Spending Subject to Appropriation

H.R. 982 would authorize the appropriation of an estimated \$69 million in 2008 and about \$160 million over the 2008-2012 period for programs and grants to promote democracy around the world. For this estimate, CBO assumes that this legislation will be enacted near the start of fiscal year 2008, that the specified and estimated authorization amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical spending patterns for existing and similar programs.

**Democracy Programs.** Section 302 would authorize the appropriation of \$50 million in 2008 and \$60 million in 2009 for the Human Rights and Democracy Fund, a fund that the Department of State uses to promote human rights and democracy around the world. Based

on historical spending patterns, CBO estimates that implementing this section would cost \$11 million in 2008 and \$99 million over the 2008-2012 period, assuming appropriation of the authorized amounts.

Section 203 would authorize the appropriation of such sums as may be necessary for 2008 and 2009 for a contribution to the United Nations Democracy Fund. In its budget request for 2008, the Department of State has requested \$14 million for such a contribution and CBO expects that such an amount for both 2008 and 2009 would be sufficient to meet the purposes of this authorization. CBO estimates that implementing this section would cost \$14 million in 2008 and \$28 million over the 2008-2009 period, assuming appropriation of the necessary amounts.

Section 202 would authorize the appropriation of \$1 million in 2008, 2009, and 2010 for a grant to the International Center for Democratic Transition. This center is located in Budapest, Hungary, and works to help countries make the transition from dictatorship to democracy. CBO estimates that implementing this section would cost \$3 million over the 2008-2010 period, assuming appropriation of the authorized amounts.

**Other Provisions.** Section 101 would authorize the appropriation of such sums as may be necessary for the Secretary to hire Democracy Liaison Officers to promote the transition of nondemocratic and partly democratic countries to democracy. Based on information from the department, CBO estimates that 12 such positions would be created, at an annual cost of \$3 million (including the costs of overseas travel and housing expenses), assuming appropriation of the estimated amounts.

Section 103 would authorize a Democracy Fellowship Program to place employees of the State Department in positions at congressional committees and nongovernmental organizations that work on democracy issues. It would authorize the appropriation of such sums as may be necessary for this purpose. Based on information from the department, CBO estimates that five fellows would participate each year in this program. Including administrative expenses, CBO estimates this provision would cost \$1 million a year, assuming appropriation of the estimated amounts.

Finally, the bill contains some reporting requirements which CBO estimates would cost less than \$500,000 a year in aggregate, assuming appropriation of the necessary amounts.

## **Direct Spending and Revenues**

Section 302 would allow the Human Rights and Democracy Fund to accept and spend gifts and donations, but CBO estimates this provision would have no significant effect on direct spending and receipts.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 982 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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